



**The Chamber of
Tax Consultants**
Mumbai | Delhi

President
Haresh Kenia

Hon. Jt. Secretaries
Neha Gada | Vitang Shah

Vice President
Vijay Bhatt

Hon. Treasurer
Mehul Sheth

Imm. Past President
Parag Ved

11th September, 2023

To,
Smt. Nirmala Sitharaman,
Hon'ble Finance Minister of India
North Block,
New Delhi – 110 001

To,
Shri Nitin Gupta
Chairman
Central Board of Direct Taxes,
North Block,
New Delhi – 110 001

Respected Madam / Sir,

Sub : Representation for deferment of new Forms 10B and Form 10BB or extension of due date for filing these Forms and ITR - 7

The Chamber of Tax Consultants, established in 1926, is one of the oldest non-profit organizations of tax practitioners, having Advocates, Chartered Accountants and Tax Practitioners as its members spread across Pan India. Many senior tax professionals who regularly appear before ITAT, High Courts and the Supreme Court are its Past Presidents. It has from time to time made various representations to different Government Authorities drawing their attention to pressing issues.

We respectfully submit that in recent past the amendments made in the areas of Taxation of Charitable Trusts have created a lot of implementation difficulties for many of the Charitable Trusts and Non-profitable Organisations. We also recognise and appreciate that trusts/ NGO's are part of the nation building process and everyone has witnessed that such trusts and NGOs have provided yeomen services during the Covid period which has strengthened the hands of the government to effectively overcome such menace.

Presently the trusts and non-profitable organisations are facing a great difficulty in relation to compliance of filing various Forms prescribed under the Act. For the assessment year 2023-24, the trusts are required to obtain audit reports in Form No. 10B and Form 10BB from auditors and get the same filed by 30th September, 2023. The trusts are also required to file Form No. 9A and Form No. 10 for which the original due date was 31st August and has been now extended to 31st October, 2023 vide Circular No. 6 of 2023 dated 24-5-2023. Similarly the Income-tax Return in ITR-7 is required to be filed by 31st October, 2023.



Introduction of New Forms and Amendments to the Income-tax Returns

Form 10B and Form 10BB were notified on 21st February 2023 vide Notification G.S.R.118E. The said notification has completely changed the old forms and the forms now require additional details to be certified by the Chartered Accountant who is issuing the audit report. This is true for all trusts whether with an income of more than Rs 5 crores or for smaller trusts with incomes less than Rs. 5 Crores. The forms have been substantially amended. The total number of clauses and schedules in the present forms are tabulated as under

Sr.No.	Form	No. of Clauses	No. Of Schedules
1	Form 10B	49	29
2	Form 10BB	32	6

Further, the Income-tax Return – ITR 7 has also been amended to include new schedules which require the trusts /NGOs to give details of last four to five years. The Form is now requiring details with various bifurcations and compilation of voluminous details. As these forms were notified only closer to the end of the year, maintaining contemporary data was not possible and this requires revisiting of the entire data for the purpose of collating the same for Returns. The trusts/ NGOs mostly are benevolent in nature and generally do not have wherewithal/ infrastructure to make such compliances like a full-time accountant which makes compilation of the details difficult. In most of the cases, the staff engaged by these Trusts/ NGOs are not competent enough to understand various clauses as amended in the new Forms & ITR-7. The Trust/ NGOs further have limitation of resources which adds to the difficulty in compiling the details. Further, lot of awareness is required to be created amongst such trusts for filling such Forms, maintaining the records and consequences of non-compliance. All these compliances has added cost on the trusts and NGOs which they cannot afford.

Non-availability of utility for the Forms and consequent challenges

Whereas the utility for the new Form 10B & Form 10BB for A.Y. 2023-24 has been released on the Income Tax site in the first week of September 2023, the offline utility for the new Form 10BB for A.Y. 2023-24 has not yet been released. Even the assigning of new Form 10BB to a Chartered Accountant has been activated on 06.09.2023 only. This further adds to the difficulty as the Chartered Accountant will have to spend significant time in filling up the details in the utility. The trusts / NGOs now will have very less time and it will become almost impossible for the trusts/ NGO's to fill up the audit forms and Return of Income in the short period of time available. The data would need to be complete and accurate as well. The Form 10BB is available only for an online filing which is actually very burdensome keeping in mind the quantum of data called for. The third party approved vendors whose software is commonly used for preparation of forms and reports have not as of date updated the utility since it is an online filing. Form 10BB is only available on the portal as of now.



Consequences of delay in compliance

The delay in filing of the Forms and /or Return of Income, which may be mainly on account of the above difficulties can lead to severe consequences including complete disallowance of exemption u/s. 11 leading to great difficulty to the trusts / NGOs and may eventually lead to unintentional drain on the resources of the trusts.

Request

The above difficulties require your immediate attention and we therefore humbly request Your Honour to kindly defer the applicability of the new Form 10B and Form 10BB by one year and make it applicable with effect from assessment year 2024-25. We request you to appreciate that maintenance of records to comply with the new forms in an effective manner require lot of awareness through various public forums and the same is not possible within the available time.

Without prejudice to above, in case your honour is not convinced for deferring the applicability of the new forms from next year onwards and in alternative we pray that it requires at least an extension of the due dates for filing of Form 10B, Form 10BB, Form 9A and Form 10 and also the Income-tax Return in ITR 7. We, therefore, request you to please allow extension of due dates in respect of all these Forms and Return as under :

Form / Return	Due Date for A Y 2023-24	Extension Requested
Form 10B and Form 10BB	30 th September 2023	31 st December 2023
Filing ITR 7	31st October 2023	31 st January 2024
Filing of Form 9A and 10	31 st October 2023	31 st January 2024.

We plead that a lenient view should be taken towards the Trusts and NGO's who work towards the welfare of society without any profit intent. The resources available with them are not similar to the commercial organisations.

We also submit that since income of most of the trusts / NGOs are exempt u/s. 11, they are not required to make tax payment and accordingly the above request will not have significant adverse impact on the revenue collection of the government. The relaxation provided will be easing the pressure on the trusts / NGOs and the same will be highly appreciated.

We hope Your Honours will consider our request positively.

Thanking you,

Yours sincerely,

For The Chamber of Tax Consultants

Sd/-

Haresh P. Kenia
President

Sd/-

Ketan L. Vajani
Chairman
Law & Representation Committee